

104TH CONGRESS  
1ST SESSION

# H. R. 1789

To make permanent certain authority relating to self-employment assistance programs, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 1995

Mr. WYDEN (for himself and Mr. HOUGHTON) introduced the following bill;  
which was referred to the Committee on Ways and Means

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## A BILL

To make permanent certain authority relating to self-employment assistance programs, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SELF-EMPLOYMENT ASSISTANCE PROGRAMS.**

4       (a) IN GENERAL.—Paragraph (2) of section 507(e)  
5       of the North American Free Trade Agreement Implemen-  
6       tation Act (26 U.S.C. 3306 note) is hereby repealed.

7       (b) CONFORMING AMENDMENTS.—Subsection (e) of  
8       section 507 of such Act is further amended—

1           (1) by amending the heading after the sub-  
2           section designation to read “EFFECTIVE DATE.—”;  
3           and

4           (2) by striking “(1) EFFECTIVE DATE.—” and  
5           by running in the remaining text of subsection (e)  
6           immediately after the heading therefor, as amended  
7           by paragraph (1).

8   **SEC. 2. TREATMENT OF SHORT-TIME COMPENSATION PRO-**  
9                                   **GRAMS.**

10          (a) GENERAL RULE.—Section 3306 of the Internal  
11       Revenue Code of 1986 is amended by adding at the end  
12       the following:

13          “(u) SHORT-TIME COMPENSATION PROGRAM.—For  
14       purposes of this chapter, the term ‘short-time compensa-  
15       tion program’ means a program under which—

16               “(1) the participation of an employer is vol-  
17       untary;

18               “(2) an employer reduces the number of hours  
19       worked by employees in lieu of temporary layoffs;

20               “(3) such employees whose workweeks have  
21       been reduced by at least 10 percent are eligible for  
22       unemployment compensation;

23               “(4) the amount of unemployment compensa-  
24       tion payable to any such employee is a pro rata por-  
25       tion of the unemployment compensation which would

1 be payable to the employee if such employee were to-  
2 tally unemployed;

3 “(5) such employees are not required to meet  
4 the availability for work or work search test require-  
5 ments while collecting short-time compensation bene-  
6 fits, but are required to be available for their normal  
7 workweek;

8 “(6) eligible employees may participate in an  
9 employer-sponsored training program to enhance  
10 jobs skills if such program has been approved by the  
11 State agency;

12 “(7) the State agency may require an employer  
13 to continue to provide health benefits, and retire-  
14 ment benefits under a defined benefit plan (as de-  
15 fined in section 3(35) of the Employee Retirement  
16 Income Security Act of 1974), to any employee  
17 whose workweek is reduced pursuant to the program  
18 as though the workweek of such employee had not  
19 been reduced;

20 “(8) the State agency may require an employer  
21 (or an employers’ association which is party to a col-  
22 lective bargaining agreement) to submit a written  
23 plan describing the manner in which the require-  
24 ments of this subsection will be implemented and

1 containing such other information as the Secretary  
2 of Labor determines is appropriate; and

3 “(9) the program meets such other require-  
4 ments as the Secretary of Labor determines are ap-  
5 propriate.”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Subparagraph (E) of section 3304(a)(4) of  
8 such Code is amended to read as follows:

9 “(E) amounts may be withdrawn for the  
10 payment of short-time compensation under a  
11 short-time compensation program (as defined in  
12 section 3306(u));”.

13 (2) Paragraph (4) of section 3306(f) of such  
14 Code is amended to read as follows:

15 “(4) amounts may be withdrawn for the pay-  
16 ment of short-time compensation under a short-time  
17 compensation program (as defined in subsection  
18 (u));”.

19 (3) Section 303(a)(5) of the Social Security Act  
20 is amended by striking “the payment of short-time  
21 compensation under a plan approved by the Sec-  
22 retary of Labor” and inserting “the payment of  
23 short-time compensation under a short-time com-  
24 pensation program (as defined in section 3306(u) of  
25 the Internal Revenue Code of 1986)”.

1 **SEC. 3. EFFECTIVE DATE.**

2       This Act, and the amendments made by this Act,  
3 shall take effect on the date of enactment of this Act.

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